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E.O. 12958: DECL: 2020/02/08  
TAGS: [PGOV](#) [EMIN](#) [ECON](#) [XL](#) [GY](#)  
SUBJECT: LCDS COLLIDES WITH GOLD MINING INDUSTRY

CLASSIFIED BY: Karen L. Williams, Charge d'affaires, DOS, Exec;  
REASON: 1.4(B), (D)

11. (SBU) Summary: In early January the Jagdeo administration proposed new mining regulations to limit forest degradation as part of President Bharrat Jagdeo's Low Carbon Development Strategy (LCDS). Miners strongly rejected proposed regulations and demanded that five to seven percent of Guyana's forested lands be parceled out for mining industry use. Despite the establishment of a Land Use Committee formed specifically to resolve disputes between the GoG and miners, the Committee has failed to reach dispute resolution. The February 11 meeting between Jagdeo and miners will determine if reconciliation and a political agreement can be reached. End summary.

12. (U) Background: The GoG proposed new regulations requiring miners to provide six months notice prior to commencing mining operations while giving the Guyana Forestry Commission (GFC) veto power over mining activities. Numerous town hall meetings between the GoG and mining industry representatives have taken place in Georgetown, Port Kaituma, Bartica and other major cities with local media publicizing protests among miners. The latest protest occurred on February 1 in Bartica with nearly two thousand resident miners staging a day-long protest. Lack of quick resolution led to the GoG establishing a Land Use Committee chaired by Minister of Transport Robeson Benn.

13. (SBU) The gold and mining industry is one of the few industries that performed well in 2009. According to the Guyana Gold Board, small and medium scale miners declared a record 305,000 troy ounces in 2009, yielding nearly USD300 million, one third of Guyana's GDP. Guyana Gold and Diamond Miners Association (GGDMA) Executive Director Edward Shields told Econoff that the gold mining industry is projected to produce 500,000 troy ounces in 2010 and by 2015 over one million troy ounces. Given such growth potential, miners are concerned that new regulations will hurt business and affect their livelihood, he said. Shields told Econoff that overregulation could jeopardize the livelihoods and income of nearly 100,000 Guyanese.

14. (SBU) Shields told Econoff that the GoG made mining proposals "without any consultations whatsoever". The Forestry Products Association (FPA) has protested its denial to have representation on the Land Use Committee. To date, only the Guyana Geology and Mines Commission (GGMC), Guyana Forestry Commission (GFC), and Guyana Gold and Diamond Miners Association (GGDMA) have been allowed to participate. In a joint statement with the GGDMA, the FPA is seeking from the GoG greater commitment to allow stakeholders a voice in the decision-making process. Senior Economist at the GGMC told Econoff that decisions are being made by senior officials that "do not have basic understanding of the mining industry."

15. (C) GGDMA proposes that five to seven percent of Guyana's forested lands be parceled out for mining industry use. These

proposals were made to the Land Use Committee during consultations held throughout January and February, but yielded no results. The Committee is expected to provide a report on recommendations to Jagdeo prior to his February 11 stakeholders meeting with miners. Former foreign minister Rashleigh Jackson told PolChief on February 8 that if the February 11 meeting between Jagdeo and miners leads to reconciliation and an accord, this will secure LCDS implementation. If not, "there is a danger posed to implementation", he said.

¶6. (C) Comment: An uncooperative mining industry is the first serious threat to Jagdeo's LCDS. Jagdeo understands that the mining industry is one of the most economically lucrative industries and that alienating miners jeopardizes his LCDS. Politically, Jagdeo may hope to marginalize incomes to political opponents as the gold industry is traditionally Afro-Guyanese. To do so, he may favor a few large gold producers over small and medium scale miners and offer them concessions. Targeting a few large gold producers has the added advantage of making regulating easier. Whether Jagdeo decides to use heavy handed tactics to impose his will upon stakeholders in the upcoming February 11 meeting or chooses another tactic to secure political victory, he cannot afford to alienate an important segment of the voting population. End comment.  
WILLIAMS